

# FEDERAL TRANSPORTATION REAUTHORIZATION MAJOR ISSUES



# AASHTO POLICY RECOMMENDATIONS

- **\$545 Billion six year multi-modal program**
  - \$375 billion for highways
  - \$93 billion for transit
  - \$42 billion for freight
  - \$35 billion for passenger rail



# AASHTO POLICY RECOMMENDATIONS

- Increase funding for congestion relief
- Improve rural highway and transit access
- Double transit ridership
- Trim 6-12 months from project delivery
- Expand freight transportation
- Streamline federal transit programs

# AASHTO POLICY RECOMMENDATIONS

- Dedicate federal funds for passenger rail
- Reduce highway traffic fatalities by half
- Move to a distance based user fee
- Streamline the federal programs



# AASHTO POLICY RECOMMENDATIONS

- Use 90% federal dollars on core programs
- Cap earmarks at no more than 5%
- Include climate change initiatives
- Create an operations program



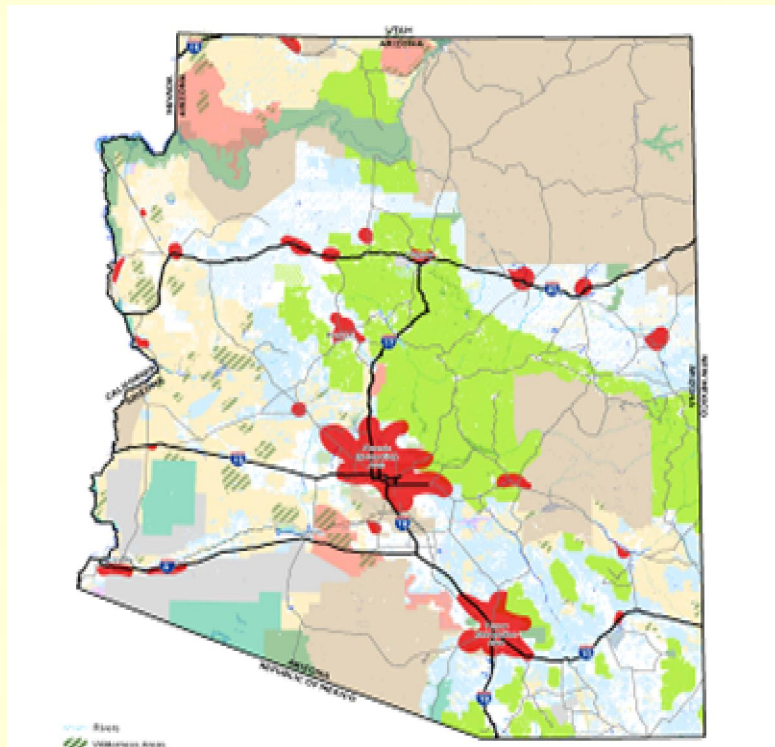
# AASHTO POLICY RECOMMENDATIONS

- Performance based programs
- Calls for greater flexibility
- Policy Positions available on [www.transportation.org](http://www.transportation.org)

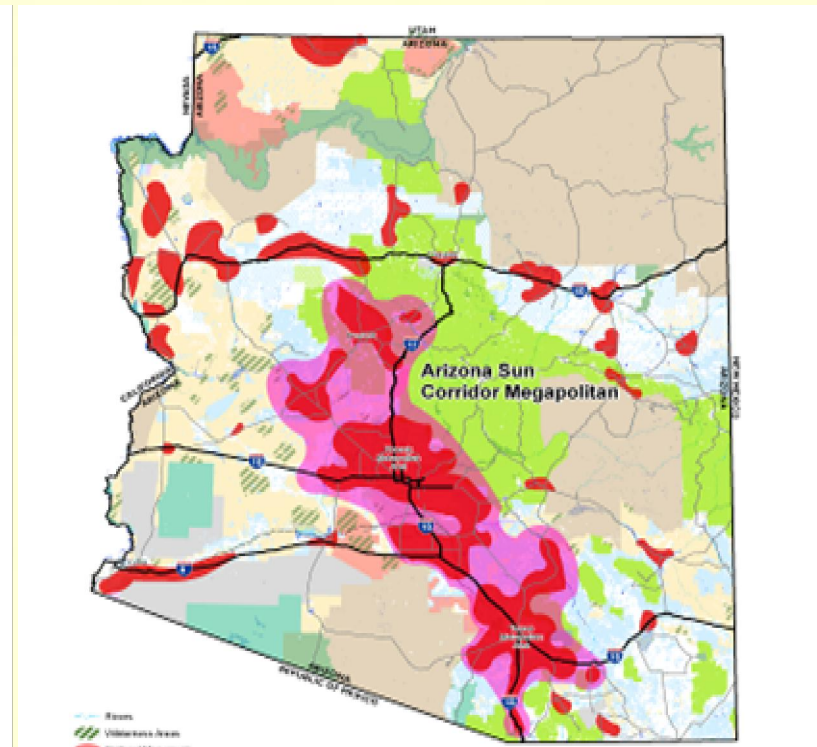




# ARIZONA'S FUTURE POTENTIAL STATEWIDE GROWTH



**2005 Growth Areas**  
Population: 5.1 million



**2050 Growth Areas**  
Population: 14.1 million

# Financial Challenges



- **Bill for meeting future transportation demands will be huge (hundreds of billions)**
- **Current funding mechanisms won't cut it**
- **Uncertainty of federal funding. Reauthorization of HTF**
- **Declining revenue collections in Arizona**
  - **HURF revenues declined 2.7 percent last fiscal year, only 3<sup>rd</sup> time in program's history**
  - **RARF revenues declined 3.2 percent last fiscal year, first decline ever**
  - **Over \$800 million of transportation funding has been diverted over the past 10 years through legislative action**



# **Financial Challenges (cont)**

- **By 2015, ADOT could be in a maintenance-only mode in 13 rural counties (excluding Maricopa, Pima)**
  - **Rising costs**
  - **Aging infrastructure**
  - **Deferral of maintenance activities**
- **State's budget deficit increases uncertainty**
- **Economic downturn has tightened credit markets, making it harder to borrow**

# How Did We Get in This Fix?



- **Using 20<sup>th</sup> century funding model for 21<sup>st</sup> century system.**
- **Federal and state gas taxes have not kept pace with fuel-efficiency and inflation**
  - If Federal and Arizona fuel tax (roughly 18 cents each) were adjusted for today's inflation and miles driven, the tax would be between 35-40 cents per gallon.
  - Existing gas taxes generate about \$1 billion for Arizona annually. Taxes adjusted for today's conditions could easily generate an additional \$1 billion per year

# WHERE DO WE WANT TO END UP?



# BUCKLE UP & DRIVE SAFE

